

OCT 26 1953

MEMORANDUM FOR: Inspector General
 Deputy Director (Plans)
 Deputy Director (Intelligence)
 Acting Deputy Director (Administration)
 Director of Training
 Assistant Director for Communications

SUBJECT : CIA Welfare Board

1. I hereby establish the CIA Welfare Board, consisting of the following members:

Chairman and Treasurer	- Inspector General
Member	- Deputy Director (Administration)
Member	- Director of Training
Member	- Assistant Director for Communications
Member	- Assistant Director for Current Intelligence
Member	- Chief of Operations, Deputy Director (Plans)

The Chairman shall make appropriate arrangements for necessary clerical and administrative assistance to the Board.

2. All funds available to the Agency for expenditure for the welfare of its employees shall be transferred to the Treasurer of the Board, who shall be responsible for the collection, receipt, custody, and expenditure of the funds in accordance with such policies as may be established by the Board and shall keep current books and records of all funds, expenditures, loans, and advances. The Comptroller is directed to provide such assistance as the Treasurer may require in the performance of his duties. The Auditor-in-Chief will provide for periodic audits of the Treasurer's books and records, at least semi-annually or oftener if the Auditor-in-Chief or the Board so desires. The Treasurer may expend any or all of the funds available for welfare purposes for such purposes as the Board may direct by unanimous vote.

3. The Board shall have absolute discretion to determine the purposes for which welfare funds shall be expended for the benefit of CIA employees, provided only that a determination has been made that no other practicable recourse is available to the employee or employees in question, either from official or private sources. If unanimity cannot be achieved among the members, but a majority thereof believe the matter should be considered by higher authority, the Chairman will refer the issue to the Director of Central Intelligence.

4. The Board shall be responsible for making such bylaws and regulations as may be necessary to the orderly conduct of its business. The chairman shall be responsible for keeping adequate records of the Board's proceedings and of all recommendations and determinations by the Board on expenditure of funds.

5. All previous authorities and delegations regarding welfare funds available to this agency are hereby rescinded.

SIGNED

ALBERT W. MILLER
Director

cc: General Counsel
Controller
Auditor-in-Chief ✓
Personnel Director

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6 May 1955

MINUTES
OF THE

CIA WELFARE ASSISTANCE BOARD

Prior to the first meeting and in accordance with General Cabell's directive (Reference ER: 6-7121, 6-7122) establishing the newly constituted CIA Welfare Assistance Board (and the CIA Employee Welfare Fund), the following people had been designated as members of this Board; the first four by virtue of the positions which they were currently occupying:

Mr. Harrison G. Reynolds, Chairman—Director of Personnel
[redacted] Alternate—Deputy Director of Personnel

[redacted] Executive Secretary—Chief, Services Branch,
[redacted] Alternate—Employee Relations Officer

[redacted] DD/I representative
[redacted] alternate

[redacted] Member—DD/P representative
[redacted] alternate

[redacted] member—DD/S representative
[redacted] alternate

At this first meeting of the CIA Welfare Assistance Board all the regular members were present as was [redacted] OP. 25X1A

[redacted] opened the meeting with a short background history of the CIA Welfare Board and how it came into being stating that the IG was the last chairman and that since its inception the Board has always been constituted at too high a level to handle small loan applications. It was then decided by the Career Service Council that the Director of Personnel should chair a new Board at a more workable level. Mr. Reynolds then forwarded a memo for Colonel White's signature and a directive for the DCI's signature rescinding the old CIA Welfare Board and setting up the new CIA Welfare Assistance Board.

Mr. Reynolds then inquired what volume of business was handled by the previous Board. [redacted] stated that until this time it had been very low because the fund had not been operating and very few people had been aware of its existence, also because most employees rightfully apply first to the Credit Union to get loans. It was explained that the fund had been held in reserve for hardship cases when loans from

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all other possible sources had been exhausted and that it should be used very judiciously.

25X1A [] explained that most of the money comes from GSI at the rate of approximately \$1200 per year and that two hardship loans had already been made—one of \$20 which had been fully repaid and one of \$73 on which \$50 had been repaid.

Mr. Reynolds mentioned that the IG has had in mind a fund for which the CSC members would be the Board of Directors. This fund would be available if the Board of Directors were able to get a tax exemption for those who contributed and it would be used for extreme welfare cases. The Welfare Assistance Board would grant these loans also and then be reimbursed by the IG's fund. However, at the present time they have not been able to get a tax exemption ruling, and the fund appears to be nearly dissolved.

25X1A [] then wanted to know what the relationship was between the Welfare Assistance Board and the PRA.

25X1A [] explained that his original interpretation of the CSC's plans was that the PRA would be delegated responsibility for administering the fund since the PRA had been reorganized to include all employees.

Mr. Reynolds said this was done because it would be more efficient and would also be used for cover purposes.

25X1A [] said that it should be determined to what extent the PRA would be delegated authority to handle the funds.

25X1A [] pointed out that the fund was now the only source of income for the PRA and the recreation program and that it was up to the CIA Welfare Assistance Board to consider what amount of available funds should be appropriated to PRA and for what operations.

25X1A [] stated he had brought his proposed accounting system for the Welfare Board and the proposed operating budget of PRA and remarked on the amount of money that was needed.

The members then proceeded to discuss the proposed bylaws for the CIA Welfare Assistance Board item by item.

It was decided by the Board that responsibility for administering the funds would not be delegated to PRA, but would stay in the hands of the CIA Welfare Assistance Board and that the PRA would be granted a certain amount of money each year. The matter of loans would be handled as stated in the bylaws. The Executive Secretary would approve loans up to \$50, the Chairman and the Executive Secretary would approve loans from \$50 to \$200, and the Chairman and Executive Secretary plus two other Board members would approve loans from \$200 to \$500. Loans in

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excess of \$500 would be approved by the Executive Secretary and the entire CIA Welfare Assistance Board.

25X1A [] explained that one reason he had suggested that PFA be responsible for administering the funds was because questions had been raised by GSI concerning CIA use of their funds whereupon we had forwarded a requested copy of the PFA bylaws and indicated that the fund would be operated by the PFA, however, we were under no commitment to do so. But since most, if not all, of the money has so far come from GSI, we sent them the bylaws to remain in their good graces as they wished to be assured that the money was not being dissipated or used for one special clique.

25X1A [] pointed out that if PFA was given enough money to handle the recreation aspect then the Board itself would be responsible for taking care of the loans.

25X1A [] pointed out that he felt it was the responsibility of the Board to supervise and administrate the entire welfare fund.

25X1A [] pointed out that the CSC's desires as interpreted to him was to have a welfare committee in PFA administer the fund.

25X1A [] stated that recreation and loans are two entirely different things. [] said that he thought it would be good if the Committee would get the fund running and at a later day turn the fund over to PFA to administer.

Further discussion on the subject ended with the fact that the Board would grant funds to PFA for recreational purposes and the Board itself would handle the loans in the manner prescribed by the adopted bylaws.

25X1A [] then brought up the question as to whether or not the Executive Secretary should be assured that each person asking for money had applied for a loan from the Credit Union with and/or without a co-signer. It was agreed that this should be standard operating procedure.

25X1A [] pointed out that they would have to be careful about lending money to people who couldn't handle their finances.

25X1A [] said that some kind of ground rules for guidance should be made as to what constitutes a hardship.

25X1A [] also said that we should be careful that the Board is not unduly influenced by a supervisor because of special liking for a person.

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25X1A [] said that he could almost certainly say that all the money in the fund was from GSI.

25X1A [] brought up the question of ways to augment this fund in order to be able to lend money to new employees when they EOD (primarily clerical personnel) as a means of inducing more prospects to come to work for CIA. He suggested a certain amount of money from the proposed Agency one-fund drive could be set aside each year for this purpose. Mr. Reynolds said, however, that something like this would have to be discussed with the Director, but he was in favor of anything that would relieve the shortage of clerical personnel.

It was decided that if any employee should apply for a loan from the IG's fund that it would be referred to him by the CIA Welfare Assistance Board.

Mr. Reynolds pointed out that nothing had been done about the IG's fund for more than a year and that there was not much money left for that Board to function on.

25X1A [] then asked whether there would be any question about General Foster's being on the Board since he is the Chief, Audit Staff. The General said that he didn't think so because he was only a member of the Board.

After the bylaws had been discussed and certain parts changed, Mr. Reynolds asked for objections. There were none and the bylaws were adopted and approved to serve as a guide for the Board.

25X1A [] then presented an accounting system which he had prepared for review, but it was decided by the Board that someone from [] office should look at the proposed system and that the Board would go along with anything that was decided upon.

25X1A [] then, as Executive Vice President of the PTA, told the Board of the expenses incurred by this group for equipment, trophies and the like. It was decided by the Board, however, that they would approve no expenditure of funds for this group until an itemized budget request was presented to them.

25X1A [] stated that he felt the Board should give all the support it could to the PTA, but suggested that a set of standards be adopted which would provide specific assistance to teams and the like in an equitable manner with a minimum and maximum figure allowable.

25X1A [] then suggested that the Chairman appoint the Employee Relations Officer, GS-12, Services Branch, to serve as his alternate as Executive Secretary of the CIA Welfare Assistance Board. He said

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that he felt the Executive Secretary position and alternate should be in the Services Branch and not the Counseling Branch since they should have the responsibility of interviewing the loan applicants to determine their need for money and then present the case to the Welfare Assistance Board with full documentation. The ERO, GS-12, was approved for this position.

[redacted] then presented proposed loan application and receipt forms for comments. [redacted] said that he could see where more information than was asked for on the form might be desired, but Mr. [redacted] pointed out that the person would be interviewed by the Counseling Branch which would fully staff out and document the case on attachments. All forms presented were then approved.

The meeting was adjourned at 11:30 a.m.

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